

Message Text

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TO USMISSION IAEA VIENNA

S E C R E T STATE 170135

FOLLOWING REPEAT MANILA 9768 ACTION SECSTATE INFO CANBERRA
JAKARTA KUALA LUMPUR SEOUL SINGAPORE TAIPEI TOKYO GENEVA AND
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QUOTE

S E C R E T MANILA 9768

E.O. 11652: GDS

TAGS: PARM

SUBJECT: MULTINATIONAL NUCLEAR CENTERS: ASSESSMENT OF KEY ASIAN
COUNTRIES' ATTITUDES TOWARD PLUTONIUM REPROCESSING

GENEVA FOR IAEA

REF: A) STATE 154049; B) MANILA 7512; C) MANILA 9357; D) TOKYO 9787

BEGIN SUMMARY: THE PHILIPPINES HAS EVIDENT LIABILITIES AND
IMPORTANT ASSETS AS A CANDIDATE FOR SITING OF A REGIONAL
MULTINATIONAL NUCLEAR CENTER. THE LIABILITIES INCLUDE A
TRAPSPARENTLY THIN KNOWLEDGE OF NUCLEAR TECHNOLOGY, A LACK
OF EXPERIENCE BEYOND THE ELEMENTARY LEVEL WITH NUCLEAR
ACTIVITIES, AN INABILITY TO FINANCE SUCH A PROJECT FROM
ITS OWN RESOURCES AND QUESTIONS ABOUT THE FUTURE COURSE
OF PHILIPPINE DOMESTIC POLITICS. THE ASSETS INCLUDE THE
PROSPECT OF GENERALLY FAVORABLE ATTITUDES TOWARD SUCH A
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FACILITY, THE LIKELY AVAILABILITY OF A SUITABLE SITE, A
LOW ORDER OF RISK OF DIVERSION INTO WEAPONRY AND A
REGIONAL IDENTITY CAPABLE OF ELICITING COOPERATION FROM
POTENTIAL USERS OF THE CENTER. THE EMBASSY BELIEVES

FURTHER CONSIDERATION SHOULD BE GIVEN TO THE PHILIPPINES AS A SITE FOR AN ASIAN MNC, PARTICULARLY IF U.S. POLICY SEEKS A GENUINELY REGIONAL FACILITY IN WHICH A NUMBER OF REGIONAL USERS CONTRIBUTE TO THE CREATION OF THE CENTER AND SHARE IN ITS OPERATION. END SUMMARY.

1. THE PHILIPPINES IS IN THE EARLY STAGES OF DEVELOPMENT OF NUCLEAR CAPABILITIES. THE COUNTRY PRESENTLY HAS ONE RESEARCH REACTOR SUPPLIED BY THE U.S.. IT IS PLANNING CONSTRUCTION OF AS MANY AS FIVE NUCLEAR POWER PLANTS BY THE END OF THE CENTURY AND IS CURRENTLY NEGOTIATING WITH WESTINGHOUSE AND FINANCING INSTITUTIONS, PARTICULARLY EXIM, ABOUT ARRANGEMENTS FOR FIRST PLANT.

2. PHILIPPINE NUCLEAR POLICY FORMULATION CENTERS IN THE OFFICE OF THE PRESIDENT. EXECUTIVE SECRETARY ALEJANDRO MELCHOR MAINTAINS A CLOSE WATCH OVER PROGRESS OF NEGOTIATIONS TOWARD THE NUCLEAR POWER PLANT AND OPERATION OF RESEARCH REACTOR. AT OPERATIONAL LEVEL, RESPONSIBILITY FOR NUCLEAR POWER HAS BEEN PLACED IN NATIONAL POWER CORPORATION AND ITS GENERAL MANAGER, ROMAN RAVANZO. NPC HAS HAD NO EXPERIENCE WITH NUCLEAR POWER, AND HAS BEEN OVERSHADOWED IN POWER FIELD BY MERALCO, A PRIVATELY OWNED FIRM NOW CLOSELY LINKED TO GOVERNMENT. RESEARCH REACTOR IS LOCATED AT PHILIPPINE ATOMIC RESEARCH CENTER IN MANILA AREA AND IS SUPERVISED BY PHILIPPINE ATOMIC ENERGY COMMISSION UNDER CHAIRMANSHIP OF LIBRADO D. IBE. PAEC DOES NOT HAVE LARGE STAFF AND HAS RECORD OF LOSING MANY PERSONNEL WHOSE TRAINING IT SPONSORED TO OTHER ORGANIZATIONS ABROAD AND IN THE PHILIPPINES.

3. PRINCIPAL OBJECTIVE OF GOP'S WELL ARTICULATED PLANS FOR CONSTRUCTION OF NUCLEAR POWER PLANTS IS TO MEET COUNTRY'S GROWING POWER NEEDS AND TO REDUCE ITS DEPENDENCE ON PETROLEUM IMPORTS. IN ADDITION TO ECONOMIC COSTS OF THIS DEPENDENCE, GOP LEADERSHIP IS ACUTELY
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CONSCIOUS OF THREAT ITS DIFFERENCES WITH MUSLIMS IN SOUTHERN PHILIPPINES POSE TO RELIABILITY OF PETROLEUM SUPPLIES FROM TRADITIONAL PHILIPPINE SOURCES IN MIDDLE EAST. PHILIPPINE NUCLEAR POWER OBJECTIVE HAS FOUND POWERFUL SUPPORT FROM EXECUTIVE SECRETARY MELCHOR WHO BELIEVES DEEPLY THAT ACHIEVEMENT OF THE GOALS OF PHILIPPINE DEVELOPMENT REQUIRES AGGRESSIVE EXPLOITATION OF TECHNOLOGICAL ADVANCES.

4. THERE HAS BEEN NO INDICATION THAT PHILIPPINE INTEREST IN NUCLEAR TECHNOLOGY EXTENDS TO WEAPONS FIELD. PHILIPPINES RATIFIED NON-PROLIFERATION TREATY IN 1972. GOP RESEARCH ACTIVITIES HAVE BEEN OF MOST ELEMENTARY SORT

AND PAEC HAS ONLY RECENTLY PROPOSED MODEST EXPANSION OF CAPABILITIES OF RESEARCH REACTOR BY SUBSTITUTING 93 PERCENT ENRICHED URANIUM FOR PRESENT 20 PERCENT ENRICHED URANIUM. IN ADDITION TO THIS APPARENT DISINTEREST IN ACQUIRING THE TECHNOLOGICAL AND OTHER RESOURCES NECESSARY TO DEVELOPMENT OF NUCLEAR WEAPONS CAPABILITY, GOP FINANCIAL CAPABILITIES ARE HARD PRESSED TO COPE WITH IDENTIFIED HIGH PRIORITY DEVELOPMENT AND CONVENTIONAL SECURITY NEEDS. EMBASSY WOULD NOT SUGGEST THAT THE PHILIPPINES, ANY MORE THAN ANY OTHER COUNTRY, HAS AN INDEFINITE IMMUNITY TO THE NUCLEAR WEAPON VIRUS, BUT IT APPEARS CONSIDERABLY FURTHER FROM MEANINGFUL EXPOSURE TO THE DISEASE THAN DO SEVERAL OTHER EAST ASIAN COUNTRIES.

5. PHILIPPINE INTEREST IN A MULTINATIONAL NUCLEAR CENTER HAS BEEN EXPRESSED AT THE TECHNICAL LEVEL (REF B), BUT PROPOSAL HAS PROBABLY NOT BEEN EXPLORED AT POLICY MAKING LEVELS. EMBASSY EXPECTS GOP WOULD BE INTERESTED IF IT COULD BE ASSURED OF NECESSARY TECHNICAL AND FINANCIAL SUPPORT FROM REGIONAL COUNTRIES AND POSSIBLY U.S. . OF COURSE, GOP WOULD REQUIRE CONSIDERABLY MORE INFORMATION ABOUT PROJECT BEFORE MEANINGFUL POLICY LEVEL CONSIDERATION COULD OCCUR.

6. PHILIPPINE ARCHIPELAGO CONTAINS NUMEROUS ISLANDS OF VARIOUS SIZES AND DEGREES OF REMOTENESS. ALTHOUGH, MANY OF THESE ISLANDS MAY LACK PROSPECTS OF GEOLOGICAL STABILITY REQUIRED FOR MNC, EMBASSY ASSUMES THAT SUITABLE
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ISLANDS OR REMOTE SITES ON ONE OF THE LARGE PHILIPPINE ISLANDS COULD BE LOCATED.
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7. PUBLIC CONCERN ABOUT ENVIRONMENTAL DANGERS IS GRADUALLY GROWING IN THE PHILIPPINES. ANY PHILIPPINE GOVERNMENT CONSIDERING ESTABLISHMENT OF MNC IN PHILIPPINES WOULD EXAMINE CLOSELY RISKS PROPOSED MNC WOULD POSE ON PHILIPPINE ENVIRONMENT. THE CHANCES THAT THE PHILIPPINES WOULD FIND THESE CONCERNS OVERRIDING DO NOT, HOWEVER, APPEAR GREAT. THE LIKELIHOOD THAT A REMOTE LOCATION CAN BE FOUND AND THE PRIMACY OF DEVELOPMENT AND REGIONAL POLITICAL OBJECTIVES SHOULD PREVENT A BUILDUP OF PRESSURE ON SAFETY AND ENVIRONMENTAL QUESTIONS.

8. PHILIPPINES IS CLEARLY NOT IN POSITION TO UNDERTAKE MNC PROJECT ON BASIS OF ITS OWN TECHNOLOGICAL AND FINANCIAL RESOURCES. HOWEVER, ITS NEED FOR OUTSIDE ASSISTANCE PRESENTS OPPORTUNITY NOT AVAILABLE IN COUNTRIES WITH WELL ADVANCED NUCLEAR PROGRAM FOR BROAD MULTINATIONAL INVOLVEMENT IN PROJECT'S CONCEPTION,

DESIGN, FINANCING AND OPERATION. SUCCESSFUL IMPLEMENTATION OF MNC PROJECT IN PHILIPPINES WOULD, THEREFORE, APPEAR TO REQUIRE EXTENSIVE SUPPORT FROM OTHER MORE ADVANCED REGIONAL COUNTRIES AND POSSIBLE NON-REGIONAL COUNTRIES. IF USG HAS STRONG INTEREST IN ESTABLISHING FULLY MULTINATIONAL NUCLEAR CENTER, IT MAY WISH FURTHER EXAMINE PROSPECTS FOR REGIONAL SUPPORT.

9. PHILIPPINE FOREIGN POLICY THROUGHOUT COUNTRY'S HISTORY HAS FEATURED A CLOSE RELATIONSHIP WITH THE U.S. ON SECURITY SIDE THIS RELATIONSHIP HAS BEEN MANIFESTED BY MUTUAL DEFENSE ARRANGEMENTS, THE PRESENCE OF U.S. BASES IN THE PHILIPPINES AND EXTENSIVE PHILIPPINE RELIANCE UPON THE RELATIONSHIP TO DETER AGGRESSION BY ITS NEIGHBORS. IN THE AFTERMATH OF VIETNAM THE GOP HAS CALLED FOR A RE-EXAMINATION OF THIS RELATIONSHIP, IS ESTABLISHING DIPLOMATIC RELATIONS WITH THE PEOPLE'S REPUBLIC OF CHINA AND IS TAKING OTHER STEPS TO ADJUST TO PERCEIVED NEW ASIAN POWER RELATIONSHIPS. THESE
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MOVES AND GROWING PHILIPPINE SUPPORT OF INITIATIVES OF "THIRD WORLD" ISSUES DO NOT, HOWEVER, APPEAR TO PORTEND A SHARP BREAK IN THE PHILIPPINE RELATIONSHIP WITH THE U.S. UNLESS NEGOTIATIONS WITH PHILIPPINE OVER NEXT FEW MONTHS CHANGE THAT ASSESSMENT, LOCATION OF MNC IN PHILIPPINES SHOULD BE AS COMFORTABLE FOR U.S. AS ITS LOCATION IN ANY OTHER COUNTRY IN REGION. ALTHOUGH WE BELIEVE THAT PHILIPPINES FROM ITS OWN DOMESTIC DEVELOPMENT CONSIDERATIONS AND ITS REGIONAL POLITICAL AMBITIONS WOULD WELCOME LOCATION OF MNC HERE, ITS LOCATION HERE COULD RUFFLE SOME ASEAN FEATHERS.

10. MARTIAL LAW APPEARS LIKELY TO CONTINUE IN THE PHILIPPINES FOR AN INDEFINITE PERIOD. THE GOVERNMENT IT PROVIDES IS NOW STABLE, BUT IN THE LONGER RUN, ALL GOVERNMENTS CHANGE. THE PROSPECT THAT SUCH A CHANGE WOULD BRING ABOUT A MASSIVE REORIENTATION IN PHILIPPINE FOREIGN POLICY IS SMALL. THE PROSPECT OF DISORDER FOLLOWING THE DEMISE OF THE MARCOS GOVERNMENT MUST BE RATED HIGH BUT THE RISK THAT ANY DISORDER WOULD BE PROLONGED OR WOULD ADVERSELY AFFECT THE USE OF THE MNC APPEARS SLIGHT. OF COURSE, GOP WOULD HAVE TO RAISE ITS SECURITY PRECAUTIONS TO APPROPRIATE INTERNATIONAL STANDARDS (SEE REF C FOR REPORT ON SECURITY SHORTCOMINGS AT PARC).
SULLIVAN

UNQUOTE. KISSINGER

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